

DALLAS COUNTY COMMISSIONERS COURT ADMINISTRATION DEPARTMENT OF PLANNING AND DEVELOPMENT

April 3, 2006

TO:

Commissioners Court

THROUGH: J. Allen Clemson, Administrator

FROM:

Rick Loessberg, Director of Planning & Development

SUBJECT:

Background Information for April 11 Foreign Trade Zone Public Hearing

Please find attached background information for the foreign trade zone public hearing that the Commissioners Court will hold during its April 11 formal session. This public hearing will seek to obtain public input as to what the boundaries should be for a possible foreign trade zone that would be created in the County's southeastern corner and has been requested by Bill Methenitis who is counsel to DFW Airport on foreign trade zone matters.

DFW Airport has traditionally served as the sponsor for local foreign trade zone applications to the federal FTZ Board. With the construction of the new Union Pacific intermodal facility in the Hutchins-Wilmer area, the airport has been approached about creating a zone in this general area by three separate developers/property-owners. In addition, the City of Dallas and Dean International have also explored the possibility of creating a zone that would include some of the same area. Because of this interest, the airport has retained Mr. Methenitis to develop possible boundary options for one zone in this area.

Please advise if any additional information is needed.

Attachment

Telephone: (214) 653-7 Telecopier: (214) 653-6

GOVERNMENT EXHIBIT NO.

405

BACKGROUND INFORMATION ON POSSIBLE LANCASTER-WILMER-HUTCHINS-SOUTHEASTERN DALLAS FOREIGN TRADE ZONE

- With the recent construction of Union Pacific's new intermodal facility, which is located west of I-45 between Wintergreen and Pleasant Run and which is one of the largest intermodal facilities in North America, there has been significant economic interest in the Lancaster-Wilmer-Hutchins-Southeastern Dallas area.
- A number of different developers/property-owners/public entities have either approached DFW Airport about submitting an application to the federal FTZ Board to have a foreign trade zone created in this area or have discussed the possibility of having such a zone created. It is thought that the existence of such a zone would help this area develop to its maximum potential.
- Foreign trade zones provide significant economic benefits to businesses that import, export, or assemble foreign goods. Businesses located within a zone do not have to pay duties on imported merchandise until it leaves the zone and enters the U.S. market, they do not have to pay customs duties if the imported merchandise is going to be re-exported, they do not have pay duties on damaged imports, they do not have to pay local property taxes on inventory that has been imported or that will be exported, and they are allowed to pay the lower tariff when an imported item in an unfinished/unassembled state has a higher duty than when it is incorporated into a final product.
- A foreign trade zone must be relatively compact, and its boundaries must be well-defined and make economic sense. Only commercial property can be included in a foreign trade zone. Such property can only be included within a zone when the owner has formally authorized the property to be so included and when all of the owners have reached an agreement as to how the costs of administering the zone will be funded.
- FTZ applications can only be submitted by local governmental entities. In the Dallas
 area, DFW Airport has traditionally submitted FTZ applications to the federal FTZ
 Board.
- It usually takes about ten-to-twelve months to develop a foreign trade zone application and to receive final approval from the federal FTZ Board.
- Because inventory that has either been imported or that will be exported is exempt from local property taxation, the federal FTZ Board takes into account whether local taxing entities support a zone that includes property within their jurisdictions. It is very unusual for the federal FTZ Board to approve a zone application that is not supported by the local city, county, etc.



DALLAS COUNTY COMMISSIONERS COURT

NOTICE OF PUBLIC HEARING

FOR THE PURPOSE OF GATHERING PUBLIC INPUT
INTO THE FORMULATION OF BOUNDARIES
OF A POSSIBLE
FOREIGN TRADE ZONE THAT COULD INCLUDE
PORTIONS OF LANCASTER, WILMER, HUTCHINS, DALLAS,
AND UNINCORPORATED DALLAS COUNTY

TUESDAY, APRIL 11, 2006
9:00 A.M.
COMMISSIONERS COURTROOM, DALLAS COUNTY
ADMINISTRATION BUILDING, FIRST FLOOR, 411 ELM STREET,
DALLAS, TEXAS

Interested individuals are encouraged to attend this public hearing and to provide comments, questions, and suggestions. Interested individuals who either have questions in advance of the hearing or who cannot attend the hearing are encouraged to contact the County's Director of Planning & Development at either 411 Elm Street, Third Floor, Dallas, Texas, 75202 or at (214) 653-7601.

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DALLAS COUNTY COMMISSIONERS COURT NOTICE OF PUBLIC HEARING

FOR THE PURPOSE OF GATHERING PUBLIC INPUT INTO THE FORMULATION OF BOUNDARIES OF A POSSIBLE FOREIGN TRADE ZONE THAT COULD INCLUDE PORTIONS OF LANCASTER, WILMER, HUTCHINS, DALLAS, AND UNINCORPORATED DALLAS, COUNTY

TUESDAY, APRIL 11, 2006 ~ 9:00 A.M.

COMMISSIONERS COURTROOM, DALLAS COUNTY ADMINISTRATION BUILDING, FIRST FLOOR, 411 ELM STREET, DALLAS, TEXAS

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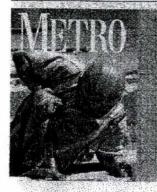
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